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9 July 1951

MEMORANDUM FOR THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT : Activities of the Office of National Estimates

REFERENCE: D/DCI Telephone Request to AD/NE of 5 July

ENCLOSURES: TAB "A" Composition of the National Estimates Board

TAB "B" Composition of Consultants' Panel

TAB "C" List of Estimates Published

TAB "D" Current Report of Estimates in Process

TAB "E" Distribution of NIE's

1. Establishment of the Office of National Estimates

The Office of National Estimates was established by General Order 37, dated 13 November 1950, announcing the appointment of Dr. William L. Langer as Assistant Director for National Estimates.

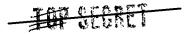
2. Mission

The Assistant Director for National Estimates is charged with the production of national intelligence estimates and with assisting the Director of Central Intelligence in the coordination of intelligence production activities relating to the national security.

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3. Organization

The Office is organized into three major components: the National Estimates Board; the Estimates Staff; and the Support Staff.

The <u>National Estimates Board</u> consists of the Assistant Director as chairman, six to eight members, and an executive secretary. Members are personally and individually selected by the Director from among outstanding scholars of national repute, experts in the fields of strategy, political science, economics and other social sciences, and individuals having the broadest of experience in the field of intelligence at the highest level. Professional military expertise is brought to bear on intelligence matters for example by membership on the Board of a Lieutenant General and a Vice Admiral. (See TAB "A")

The <u>Estimates Staff</u> consists of a group of intelligence officers selected for their competence to give substantive staff support to the National Estimates Board. This support broadly is of three kinds: (1) Preparation of draft estimates from all sources including contributions submitted by the intelligence organizations of the Department of State, the Joint Staff, the Army, the Navy, the Air Force, the Atomic Energy Commission, the Federal Bureau of Investigation, and offices within CIA, (2) Providing expert knowledge and judgment on trends and developments

in areas the world over, and (3) Providing liaison with organizations which this office services or is served by on a continuing basis.

The preparation of draft estimates is the responsibility of a small number of intelligence officers, forming the General Group of the Staff, who have not been assigned a functional or geographic specialty in any field of intelligence but who are required to utilize a broad knowledge and substantive experience transcending regional and functional lines in assessing the global significance and relative importance of developments, trends, and tendencies recognized by regional and functional experts.

Expert knowledge is provided by a number of intelligence officers, forming the Specialists Group of the Staff, who have been assigned specific responsibility for keeping informed and who advise on significant developments in a particular area or function, e.g. one of the major geographic areas of the world such as the Far East, or a substantive function such as economic or military intelligence.

Formal liaison with governmental activities not directly concerned with the production of national intelligence estimates is maintained by a small group each of whose members has a specific assignment. For example, one intelligence officer who sits with the IAC Watch Committee, another works closely with and follows the activities of the Joint Staff, another assists the Director's Office in providing CIA representation and support at



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the Staff level of the National Security Council. In addition,

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The <u>Support Staff</u> provides the administrative support for the National Estimates Board and the Estimates Staff. Its activities include an information control unit, a reading room and reference center, a publication unit, and research, clerical, stenographer services.

In addition to the above internal organization of the office there has been formed a Panel of Consultants. This Panel presently consists of six eminent individuals of national reputation in their respective fields and includes such men as Mr. George Kennan and Dr. Vannevar Bush. The Panel does not participate in the day to day operations of the Office but has referred to it for comment the most important draft estimates prepared by the Board. Selected members of the Board meet with the Panel for extended discussion on vital intelligence issues about once a month. (See TAB "B")

4. Operational Procedures

To discharge its responsibilities the Office of National Estimates functions primarily through its Board. Within the



framework of policies laid down by the DCI and the directives of the Intelligence Advisory Committee, the Board directs the production of national intelligence estimates. This includes the setting of priorities and the assignment of production responsibilities among the components of the Central Intelligence Agency, and among the intelligence agencies of the Federal Government.

In the production of a given estimate, the IAC having approved the scheduling of it or the Board having decided upon its urgent necessity, the Office of National Estimates is more appropriately identified as an integral part of an inter-agency mechanism designed to tap the best intelligence in each agency and with the assistance of these agencies to produce the best possible estimate.

Cooperation between the National Estimates Board and the several intelligence organizations of the Department of State and Defense is complete. Meetings are held at each stage in the progression of the estimate from the statement of the problem to the finished draft for submission to the IAC for approval.

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Having been directed by appropriate authority to prepare an estimate, or having initiated one on its own behalf, the Board drafts terms of reference for it. These are circulated to the IAC agencies and after they have had an opportunity to study the proposed terms of reference and taken an inventory of pertinent intelligence within their organizations a meeting is called.

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At this meeting the terms of reference are revised in the light of the discussion, the assignment of production responsibilities is made and a deadline set for receipt of the contributions by the Board.

Upon receipt of the contributions an estimate is drafted by O/NE, which draft, after satisfying the Board, is sent to the IAC agencies for review and comment. Another meeting is then called to permit an exchange of views and to endeavor to reconcile conflicting views short of watering down the estimate to a meaningless compromise. Agencies unable to accept the final text may record their exceptions. This draft is then forwarded to the IAC for its consideration.

It is noted that the main outlines of this procedure are not wholly dissimilar from the procedure followed by CIA in producing estimates prior to the establishment of O/NE. The important advance is that active cooperation has displaced reluctant and marginal participation with the result that top policy makers now attach real importance to the estimates produced whereas this was not formerly so. (For example, on 6 July, immediately upon approval of SE-8, O/NE had to call back the draft from the Reproduction Division to permit G-2 to communicate its content to General Ridgeway. On the same date the Secretary of State put in an urgent appeal for this estimate.)

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5. Production

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The formal estimates produced by the Office of National Estimates are published in three series: National Intelligence Estimates (NIE series), Special Estimates (SE series), and Special Intelligence Estimates (SIE series).

The production of NIE's, SE's, and SIE's to date is summarized in TAB "C".

Production in process is summarized in TAB "D".

NIE's are the mainstay of O/NE production. These estimates get a standard distribution to all important agencies of government having responsibilities for the national security. (See TAB "E")

SE's are produced in response to a more specific and more narrow problem than that treated in an NTE. Often the problem is one of great urgency. Under present procedures a fully coordinated estimate can and has been produced and published in less than fortyeight hours.

SIE's are so labeled only because they contain code word material. Their distribution is extremely limited for that reason.

Apart from the formal publications of O/NE, the Director is provided with intelligence memoranda both at his request and at O/NE initiative. These are generally selected from memoranda prepared by the Estimates Staff for the National Estimates Board. The Board, having identified one as being sufficiently important to be sent to the Director, reviews and revises it to reflect the judgment



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of the Board. Of the ninety some memoranda passed by the Staff to the Board to date, some twenty-five have been forwarded to the Director. The Director in turn at his discretion, has on occasion passed these to the President or other high officials of the government.

6. Other Activity

As by-products of the production process which is designed to produce national intelligence estimates, O/NE is equipped to render other services most of which in the long-run should accrue to its advantage in being able to make better estimates.

Guidance is given to intelligence research agencies, O/RR, O/SI, as well as the IAC agencies. (See for example the O/NE request for a study to be prepared by the Defense agencies under G-2 leadership, outlined in IAC-D-24, dated 19 June 1951.)

Guidance is given to intelligence collection agencies. (See for example the O/NE memorandum for the IAC outlining intelligence gaps as revealed by NIE-32, in IAC-D-25, dated 2 July 1951.)

Assistance is given operating offices such as O/PC and O/SO. For example, O/NE reviewed and commented on the planning assumptions made by these offices.

WILLIAM L. LANGER / Assistant Director National Estimates